



COUNCIL OF EUROPEAN MUNICIPALITIES AND REGIONS
CONSEIL DES COMMUNES ET REGIONS D'EUROPE

**CEMR Response to the
Proposal for a Council
Regulation laying down
general provisions on the
European Regional
Development Fund, the
European Social Fund and
the Cohesion Fund
(COM 2004/492 final)**

Brussels, May 2005

I. Introduction

1. The Council of European Municipalities and Regions reaffirms its strong support for an ambitious pan-European cohesion and regional policy for the period 2007 – 2013, and for the proposed “architecture” for the future set out by the European Commission in its Third Report on Economic and Social Cohesion, published in February 2004.
2. In particular, CEMR welcomes the more strategic and focused approach, which recognises that European cohesion policy, is a key vehicle for the achievement of the EU’s competitiveness (Lisbon) and sustainability (Gothenburg) objectives.
3. We further support the main lines of the draft regulations on the structural funds programmes, adopted by the European Commission in July 2004, and currently the subject of consideration by the European Parliament and Council of Ministers.
4. CEMR believes that the Commission’s proposals offer a sustainable framework that will allow regional and local authorities to play an active role in European competitiveness and contribute towards the territorial cohesion of the Union.

II. General provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund

5. CEMR appreciates the integrated response to specific territorial characteristics, which takes into account the specific needs of areas by using “territorial” criteria for areas with geographical handicaps. We encourage Member States to acknowledge and to pay tribute to this provision and work together with local and regional governments on the implementation.
6. We welcome the Commission’s proposal to further decentralise responsibilities, however further clarification would be needed on the Commission’s interpretation of decentralisation of responsibilities. The active role of local and regional governments should be defined and strengthened. This principle should be applied throughout all structural funds.
7. Decentralisation should be encouraged for the European Social Fund (ESF) in order to help local and regional authorities to support achieving the objectives of the Lisbon agenda, currently under review. Local and regional authorities can play a major role in helping to create an employment friendly environment and to stimulate growth at local and regional level.
8. With reference to the operational programmes financed by the ESF, we agree that within the objectives “convergence” and “regional competitiveness and employment” the measures should contribute to the chosen priorities on the European Employment Strategy and the National Action plans. They are necessary to reach for the European-wide agreed targets stipulated in the Lisbon goals. However we would like to advocate the application of a bottom-up approach, which would take into account the needs of local and regional authorities. Mutual consultation of the local, regional, national and European levels should be established.
9. We welcome the general move towards greater simplification and clarity, and also to an increased application of the subsidiarity principle. However, this

needs to be closely monitored to ensure that the general principles are correctly implemented.

10. Article 7 sets down a limit “as a general rule” of 150 km for maritime cross-border co-operation, taking into account “potential adjustments needed to ensure the coherence and continuity of the co-operation action”. We believe this limit is artificial, and urge that no reasonably defined maritime borders should be excluded from consideration.
11. CEMR believes that the Funds should be implemented in partnership with local and regional authorities in line with the principle of subsidiarity. To respond effectively to local and regional needs, full dialogue is needed between all stakeholders in the preparation and subsequent implementation, monitoring and evaluation of programmes.
12. As an organisation representing both local and regional government, CEMR promotes an active and positive partnership between, on the one hand, the national government and local / regional government and, on the other hand, between the relevant regional and local governments.
13. However, Article 10 at present states that it is for each Member State to organise a partnership with the authorities and bodies which it designates, namely the competent regional, local, urban and other public authorities, but does not expressly require this designation to be done following consultation. We propose that there be a duty to consult the organisations representing the various partner groups, prior to the designation of partners.
14. We welcome the increased recognition given to urban issues. However further clarification would be welcomed on the requirement to provide a “list of cities chosen” and about the “procedures for sub-delegation to urban authorities”, as mentioned in Article 36,4 b. We also believe that it needs a broader view on issues related to urban areas and therefore promote a focus not only on cities, but on urban areas, including the surroundings.
15. We recognise the rationale of the “N+2” rule as a means of enforcing financial discipline and welcome the more flexible approach outlined by the Commission in applying automatic decommitment. However clarification is required that operational programmes will not be penalised under this requirement as a consequence of late approval of the programmes by the Commission.
16. CEMR welcomes the proposal to retain interregional co-operation within the European Territorial Co-operation objective, as we believe all regions have useful experiences to offer in terms of improving their competitiveness. We also welcome proposals to integrate interregional co-operation into the regional strategy, as an evident contribution to competitiveness.
17. We understand the rationale, in terms of practicality, for the rule that operational programmes should receive funding from only one Fund, subject to a maximum of 5% ancillary funding from the ERDF or ESF to a programme funded by the other (Article 33). We believe that this 5% limit is too low in order for integrated programmes to be developed. We suggest that 15% would be more appropriate, whilst still ensuring that the secondary Fund is incidental or ancillary to the main Fund.
18. CEMR also acknowledges that matching EU funds against domestic public expenditure is one way of ensuring additionality, and shows support for projects’ objectives on behalf of key public authorities.

Conclusion

19. In the coming weeks, CEMR will co-operate with the European Parliament to ensure that the package of Regulations to be adopted takes fully into account the interests of local and regional government. We will also co-operate with other European associations working to the same end.

20. We call on national governments to begin, now, to develop the partnership arrangements involving regional and local government that will be needed in each country, and not to wait till the legislative package is finally adopted, which may be too late for effective procedures to be put in place.

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